

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA)

v.)

MUSTAFA AL KABOUNI - 01)

MOHAMAD BARBOUR - 02)

MOHAMMAD AMIR AL KABOUNI - 03)

MUHAMMAD EID AL KABOUNI - 04)

CR. NO.:

CR 13

119-01 ML

In violation of 7 U.S.C. § 2024; 18 U.S.C.
§§ 2, 371, 1343, 1956; and, 31 U.S.C. §
5324

INDICTMENT

The Grand Jury charges that:

COUNT I

INTRODUCTION

1. At all times relevant to this Indictment, the defendant, MUSTAFA AL KABOUNI (hereinafter "Defendant 1"), was the owner of Eido Mart, Inc. d/b/a Corner Store, a convenience store located at 549B Broad Street, Providence, Rhode Island (hereinafter "Corner Store") and Regency Mart, located at 3 Regency Plaza, Providence Rhode Island.

2. At all times relevant to this Indictment, Corner Store and Regency Mart sold food items, such as bread, canned vegetables, chips, candy and other snacks, cheese, meat, sodas, juice, and other non-alcoholic beverages. The stores also sold non-food items, such as cleaning products, tobacco products, and paper products.

3. At all times relevant to this Indictment, the defendant, MOHAMAD BARBOUR (hereinafter "Defendant 2"), was a manager of Corner Store.

4. At all times relevant to this Indictment, the defendants, MOHAMMAD AMIR AL KABOUNI (hereinafter "Defendant 3") and MUHAMMAD EID AL KABOUNI (hereinafter "Defendant 4"), worked as clerks at Regency Mart.

5. During the relevant time period, Corner Store and Regency Mart were authorized to accept Supplemental Nutrition Assistance Program ("SNAP") benefits (also known as "food stamps") as payment for eligible food items sold out of the store.

6. Corner Store's authorization to participate in SNAP was based upon an application submitted to the United States Department of Agriculture ("USDA") Food and Nutrition Service by Defendant 1 on or about March 8, 2010. Corner Store was authorized to participate in SNAP on or about March 18, 2010.

7. Regency Mart's authorization to participate in SNAP was based upon an application submitted to USDA by Defendant 1 on or about April 2, 2010. Regency Mart was authorized to participate in SNAP on or about April 22, 2010.

8. At all times relevant to this Indictment, Defendant 1 maintained and controlled two business accounts at Pawtucket Credit Union held in the name of Eido Food Mart, Inc., account number xxxx1179 (hereinafter, the "Corner Store SNAP account") and account number xxxx1141.

9. At all times relevant to this Indictment, SNAP benefits associated with transactions conducted at Corner Store were electronically deposited into the Corner Store SNAP account. This account began receiving SNAP deposits on or about April 5, 2010 and continued to receive SNAP deposits until on or about April 1, 2013.

10. At all times relevant to this Indictment, Defendant 1 maintained and controlled a business account at Domestic Bank, now Admirals Bank, held in the name of Regency Mart, Inc., account number xxx544 (hereinafter, the "Regency Mart SNAP account").

11. At all times relevant to this Indictment, SNAP benefits associated with transactions conducted at Regency Mart were electronically deposited into the Regency Mart SNAP account. This account began receiving SNAP deposits on or about October 7, 2010 and continued to receive SNAP deposits until on or about April 1, 2013.

THE FOOD STAMP PROGRAM

13. SNAP enables low-income households to obtain a more nutritious diet by increasing their food purchasing power.

14. Under the program, eligible households receive SNAP benefits in the form of credits to an electronic benefit card to buy food from retail food stores that participate in the SNAP. SNAP benefits are obligations of the United States and redeemable at face value by the Secretary of the USDA through the facilities of the Treasury of the United States. The USDA administers SNAP nationally.

15. Rhode Island relies upon the Electronic Benefit Transfer (EBT) system for the distribution of SNAP benefits. The EBT system uses plastic debit cards, which are automatically credited with the recipient's appropriate amount of benefits at the beginning of each month. To access benefits, the recipient presents the card at an authorized retailer's location. The card is swiped through an electronic terminal device, commonly known as an EBT terminal. The EBT terminal reads coded information on

the card's magnetic strip. Through a series of wire transfers, the transaction amount is deducted from the EBT card's balance and deposited into the retailer's account.

16. In order to receive payment for SNAP transactions, retailers must use state-contracted processing companies or third party processing companies. These companies facilitate the transfer of each state's pool of USDA SNAP benefits to the bank accounts maintained by authorized retailers. The authorized retailers are responsible for providing the processing companies with the appropriate bank routing and account information. The processing companies are responsible for providing the retailers with the EBT terminals.

17. SNAP payments come to the retailers in the form of wire transfers from the processing company based upon retailers' daily sales totals from SNAP benefits. These payments typically take two banking business days to clear to the retailer's bank account. Each state has an approved contractor that facilitates these SNAP transactions. The State of Rhode Island uses JP Morgan Chase to facilitate the administration of its SNAP benefits, which in turn uses Fidelity Information Services to administer the funds.

18. Retailers also must obtain a license from the USDA Food and Nutrition Service to accept SNAP benefits from eligible recipients as payment for authorized food purchases. Before receiving authorization to participate in SNAP, a retailer is provided with an application to participate in SNAP and a book of federal regulations governing SNAP. The SNAP application advises retailers of the SNAP regulations, including those prohibiting the retailer from providing cash or ineligible items to recipients in

exchange for the recipient's SNAP benefits. Typical ineligible items include gasoline, tobacco products, alcohol, paper products, and cleaning products.

COUNT I (18 U.S.C. § 371)– CONSPIRACY TO USE, TRANSFER, ACQUIRE, POSSESS,
AND REDEEM FOOD STAMPS IN AN UNAUTHORIZED MANNER

19. The Grand Jury incorporates by reference the allegations in paragraphs 1-18 of this Indictment and further charges:

20. Beginning on or about March 18, 2010 and continuing until on or about April 1, 2013, the exact dates unknown to the Grand Jury, in the District of Rhode Island, Defendant 1, Defendant 2, Defendant 3 and Defendant 4 did knowingly and intentionally combine, conspire, confederate, and agree together, and with other persons known and unknown to the Grand Jury, to use, transfer, acquire, possess and redeem SNAP benefits in a manner not authorized by law and regulation, where the SNAP benefits have an aggregate value of \$5,000 or more, in violation of 7 U.S.C. § 2024(b) and (c).

THE OBJECT OF THE CONSPIRACY

21. It was the object of the conspiracy for the defendants to enrich themselves and others by allowing recipients of SNAP benefits to redeem their SNAP benefits for cash and ineligible items, and by charging the recipients a surcharge in return for allowing them to redeem their benefits for cash.

MANNER AND MEANS

22. It was part of the conspiracy that Defendant 2 and R.R., an unindicted co-conspirator who worked as a clerk at Corner Store, regularly allowed SNAP benefit recipients to exchange SNAP benefits for cash at Corner Store. Defendant 2 and R.R. exchanged cash for SNAP benefits at Corner Store with the approval and direction of Defendant 1. On numerous occasions during the conspiracy, Defendant 2 and R.R. accepted EBT cards from SNAP recipients seeking to exchange their SNAP benefits for cash, and passed those EBT cards through a point of sale terminal for the purpose of causing SNAP benefits to be electronically transferred to the Corner Store SNAP account.

23. It was part of the conspiracy that Defendant 1, Defendant 3, and Defendant 4 regularly allowed SNAP benefit recipients to exchange SNAP benefits for cash at Regency Mart. On numerous occasions during the conspiracy, Defendant 1, Defendant 3, and Defendant 4 accepted EBT cards from SNAP recipients wishing to exchange their SNAP benefits for cash, and passed those EBT cards through a point of sale terminal for the purpose of causing SNAP benefits to be electronically transferred to the Regency Mart SNAP account.

24. It was further part of the conspiracy that the defendants and R.R. charged the SNAP benefit recipients' EBT cards an additional amount as a surcharge for providing cash back. The surcharge varied depending upon the customer, but was often close to the same amount as the recipient asked to receive in cash.

25. It was further part of the conspiracy that Defendant 2 and R.R. allowed SNAP benefit recipients to purchase ineligible items with their EBT cards at Corner Store.

26. It was further part of the conspiracy that Defendant 3 allowed SNAP benefit recipients to purchase ineligible items with their EBT cards at Regency Mart.

27. It was further part of the conspiracy that Defendant 1 arranged to have all USDA SNAP benefits deposited into accounts controlled by him, namely, the Corner Store SNAP account and the Regency Mart SNAP account.

28. It was further part of the conspiracy that Defendant 1 would bring cash to Corner Store and Regency Mart for use in conducting fraudulent cash for SNAP benefit exchanges.

29. It was further part of the conspiracy that by engaging in these fraudulent transactions, the defendants caused the USDA to transfer a combined total of more than \$2,000,000 to the Corner Store SNAP account and the Regency Mart SNAP account.

30. It was further part of the conspiracy that between on or about June 9, 2010 and on or about February 3, 2011, Defendant 1 would transfer funds from the Corner Store SNAP account to Pawtucket Credit Union account xxxx1141 after receiving a SNAP funds deposit. During that period of time, Defendant 1 made frequent bank visits to withdraw cash from the Pawtucket Credit Union account xxxx1141. Defendant 1 frequently withdrew cash in amounts of less than \$10,000, usually in amounts of \$9,000 or \$9,500, in order to avoid detection of the fraud. Between on or about June 9,

2010 and on or about February 3, 2011, Defendant 1 withdrew \$190,900 in cash from Pawtucket Credit Union account xxxx1141 in this manner.

31. It was further part of the conspiracy that between on or about August 3, 2010 and on or about March 6, 2013, Defendant 1 would make frequent bank visits to withdraw cash from the Corner Store SNAP account. Defendant 1 frequently withdrew cash in amounts of less than \$10,000, usually in amounts of \$9,000 or \$9,500, in order to avoid detection of the fraud. Defendant 1 withdrew \$772,905 in cash from the Corner Store SNAP account in this manner.

32. It was further part of the conspiracy that Defendant 1 would make checks payable to "cash" which were drawn on the Regency Mart SNAP account and cash those checks. Defendant 1 frequently made checks payable to "cash" in amounts of less than \$10,000, usually in amounts of \$9,000 or \$9,500, in order to avoid detection of the fraud. Defendant 1 cashed \$205,000 in checks made payable to "cash" in amounts less than \$10,000, which were drawn on the Regency Mart SNAP account.

33. It was further part of the conspiracy that the cash withdrawals and the checks made payable to "cash" were used to conceal and disguise the proceeds of the unlawful food stamp trafficking by removing those proceeds from the Corner Store SNAP account and the Regency Mart SNAP account that had been identified to the USDA and converting those proceeds to cash, which was more difficult to trace to the unlawful food stamp activity.

OVERT ACTS

34. In furtherance of the conspiracy and to effect the objects of the conspiracy, the following overt acts, among others, were committed in the District of Rhode Island and elsewhere:

(A) On or about the dates set forth in the table below, as well as other occasions, in the District of Rhode Island, Defendant 1 acquired SNAP benefits in a manner not authorized by law or regulation, in the amounts set forth in the table below, when Defendant 1's employee, R.R., exchanged cash and merchandise for SNAP benefits at Corner Store:

<u>Date</u>	<u>Merchandise purchased during transaction</u>	<u>Cash provided to customer</u>	<u>Total SNAP benefits acquired by Defendant 1</u>
9/5/12	\$2.87	\$60	\$119.87
10/2/12	\$0.99	\$60	\$120.99
11/1/12	\$3.82	\$80	\$163.82
12/3/12	\$1.97	\$80	\$161.97
1/3/13	\$1.49	\$80	\$161.49
2/4/13	\$2.99	\$80	\$162.99
3/4/13	\$3.99	\$80	\$163.99

(B) On or about November 1, 2012, R.R., in the presence of his manager, Defendant 2, conducted numerous cash for SNAP benefit exchanges at Corner Store. As a result of these exchanges, R.R. caused the electronic transfer of \$30,678.30 into the Corner Store SNAP account.

(C) On or about the dates set forth in the table below, as well as other occasions, in the District of Rhode Island, Defendant 1 acquired SNAP benefits in a manner not authorized by law or regulation, in the amounts set forth in the table below,

when Defendant 3 and Defendant 4 exchanged cash and merchandise for SNAP

benefits at Regency Mart:

<u>Date</u>	<u>Clerk</u>	<u>Merchandise purchased during transaction</u>	<u>Cash provided to customer</u>	<u>Total amount of SNAP benefits acquired by Defendant 1</u>
6/6/11	Defendant 3	\$5.12	\$40	\$ 85.12
8/2/11	Defendant 3	\$9.23	\$40	\$ 89.23
10/4/11	Defendant 3	\$4.26	\$50	\$114.26
11/1/11	Defendant 3	\$4.97	\$60	\$134.97
7/3/12	Defendant 3	\$0.99 (+ \$21.19 cigarettes)	\$60	\$142.18
7/12/12	Defendant 3	\$2.54	\$20	\$ 44.54
8/1/12	Defendant 3	\$3.93	\$80	\$168.93
9/5/12	Defendant 3	\$2.94	\$60	\$128.94
10/2/12	Defendant 3	\$1.58	\$60	\$127.56
11/1/12	Defendant 3	\$2.32	\$60	\$129.32
12/3/12	Defendant 3	\$1.99	\$80	\$168.73
1/3/13	Defendant 3	\$2.53	\$80	\$168.53
2/4/13	Defendants 3 and 4	\$3.54	\$80	\$163.54
3/4/13	Defendant 4	\$4.26	\$80	\$164.26

(C) On or about April 1, 2013, in the District of Rhode Island, Defendant 1 acquired SNAP benefits in a manner not authorized by law or regulation, in the amounts set forth in the table below, when he and Defendant 4 exchanged an unknown amount of cash for SNAP benefits at Regency Mart:

<u>Clerk</u>	<u>Cash provided to customer</u>	<u>Total amount of SNAP benefits acquired by Defendant 1</u>
Defendants 1 and 4	Yes	\$ 51.48
Defendant 4	Yes	\$ 98.37
Defendant 4	Yes	\$164.52
Defendant 4	Yes	\$162.78
Defendant 4	Yes	\$102.48
Defendant 4	Yes	\$144.54
Defendant 1	Yes	\$102.98
Defendant 1	Yes	\$ 99.23
Defendant 4	Yes	\$195.42
Defendants 1 and 4	Yes	\$166.12

(D) As a direct result of the above detailed unlawful cash purchases of SNAP benefits, the defendants caused the electronic transfer into the Corner Store SNAP account and Regency Mart SNAP account the full value of SNAP benefits.

All in violation of 18 U.S.C. § 371.

COUNTS II - VII - (7 U.S.C. § 2024(b) and 18 U.S.C. § 2) - USE, TRANSFER, ACQUIRE AND POSSESS SNAP BENEFITS IN AN UNAUTHORIZED MANNER AND AIDING AND ABETTING

35. The Grand Jury repeats and incorporates by reference the allegations in paragraphs 1 - 18 and 22 - 26 of this Indictment and further charges:

36. On or about the dates set forth below, in the District of Rhode Island, the defendants, as specified below, knowingly and intentionally did use, transfer, acquire, and possess benefits in an amount set forth below and in a manner not authorized by law and regulation. Specifically, defendants did willfully and knowingly obtained, at a discounted value, SNAP benefits for cash:

<u>Count</u>	<u>Date</u>	<u>Defendant</u>	<u>Merchandise purchased</u>	<u>Cash purchased by customer</u>	<u>Total amount of SNAP benefits acquired by Defendant 1</u>
II	10/4/11	Defendant 3	\$4.26	\$50	\$114.26
III	8/1/12	Defendants 1 and 3	\$3.93	\$80	\$168.93
IV	9/5/12	Defendant 3	\$2.94	\$60	\$128.94
V	11/1/12	Defendants 1 and 2	\$3.82	\$80	\$163.82
VI	2/4/13	Defendants 3 and 4	\$3.54	\$80	\$163.54
VII	3/4/13	Defendant 4	\$4.26	\$80	\$164.26

All in violation of 7 U.S.C. § 2024(b) and 18 U.S.C. § 2.

COUNT VIII (7 U.S.C. § 2024(b) and 18 U.S.C. § 2) – USE, TRANSFER,
ACQUIRE AND POSSESS SNAP BENEFITS IN AN UNAUTHORIZED
MANNER AND AIDING AND ABETTING

37. On or about April 1, 2013, in the District of Rhode Island, Defendant 1 did knowingly and intentionally use, transfer, acquire, and possess benefits of a value of \$5,000 or more in a manner not authorized by law and regulation, in that defendants did exchange and cause to be exchanged cash for SNAP benefits, in violation of 7 U.S.C. § 2024(b) and 18 U.S.C. § 2.

IX – XVI (18 U.S.C. §§ 2 and 1343) – WIRE FRAUD AND AIDING AND ABETTING

38. The Grand Jury repeats and incorporates by reference the allegations in paragraphs 1 – 18, 22 – 29, and 34 (A) – (E) of this Indictment, which constitute the scheme and artifice to defraud, and further charges:

39. On or about the dates set forth below, as to the enumerated counts, in the District of Rhode Island and elsewhere, the defendants specified below, for the purpose of executing the scheme described above, and attempting to do so, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, that is, interstate money wire transfers, each transmission constituting a separate count:

<u>Count</u>	<u>Defendant</u>	<u>Date of Cash Purchase of SNAP Benefits</u>	<u>Date of Electronic Transfer of Funds</u>	<u>Amount of Electronic Transfer of Funds</u>
IX	Defendants 1 and 3	10/4/11	10/6/11	\$ 2,852.09
X	Defendants 1 and 3	11/1/11	11/3/11	\$13,833.29
XI	Defendants 1 and 2	8/1/12	8/3/12	\$29,347.46
XII	Defendants 1 and 3	8/1/12	8/3/12	\$10,758.73
XIII	Defendants 1 and 2	11/1/12	11/5/12	\$30,678.30
XIV	Defendants 1, 3 and 4	2/4/13	2/6/13	\$ 1,891.49
XV	Defendants 1 and 4	3/4/13	3/5/13	\$ 1,556.59
XVI	Defendants 1 and 4	4/1/13	4/3/13	\$ 3,048.43

All in violation of 18 U.S.C. §§ 2 and 1343.

COUNTS XVII - XXII (18 U.S.C. § 1956(a)(1)(B)(ii)) - MONEY LAUNDERING

40. The Grand Jury repeats and incorporates by reference the allegations in paragraphs 1 - 18 and 22 - 33 of this Indictment and further charges:

41. On or about the dates set forth below, in the District of Rhode Island, Defendant 1 did knowingly conduct financial transactions affecting interstate commerce, namely, withdrawing money from the Corner Store SNAP account at Pawtucket Credit Union, which involved the proceeds of a specified unlawful activity, that is, SNAP benefit fraud, knowing that the transactions were designed in whole and in part to avoid a transaction reporting requirement under Federal law, and that while conducting such financial transactions knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity.

<u>COUNT</u>	<u>DATE</u>	<u>SNAP EFUNDS DEPOSIT</u>	<u>AMOUNT OF CASH WITHDRAWAL</u>
XVII	3/3/11	\$21,013.65	\$9,500
XVIII	8/3/11	\$19,202.87	\$9,500
XIX	2/3/12	\$21,717.78	\$9,500
XX	8/3/12	\$29,347.46	\$9,500
XXI	11/5/12	\$30,678.30 \$ 8,966.36 \$ 5,790.54	\$9,500
XXII	3/4/13	\$22,246.49 \$10,923.49	\$9,500

All in violation of 18 U.S.C. § 1956(a)(1)(B)(ii).

COUNTS XXIII - XXX (31 U.S.C. § 5324(a)(3)) - STRUCTURING


42. The Grand Jury repeats and incorporates by reference the allegations in paragraphs 1 - 18 and 22 - 33 of this Indictment and further charges:

43. On or about the dates set forth below, in the District of Rhode Island, Defendant 1, as set forth below in Counts XXIII - XXX, did knowingly and for the purpose of evading the reporting requirements of 31 U.S.C. § 5313(a), and the regulations promulgated thereunder, structure the following transactions with Pawtucket Credit Union, a domestic financial institution:


<u>COUNT</u>	<u>DATE</u>	<u>AMOUNT OF CASH WITHDRAWAL</u>
XXIII	7/7/11	\$9,500
XXIV	7/8/11	\$9,500
XXV	7/9/11	\$9,000
XXVI	10/3/11	\$9,500
XXVII	10/4/11	\$9,500
XXVIII	10/5/11	\$9,500
XXIX	10/6/11	\$9,500
XXX	3/4/11	\$9,500

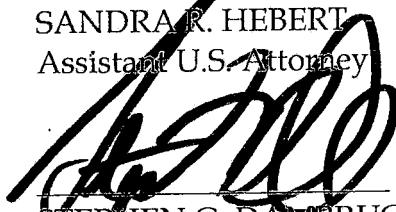
All in violation of 31 U.S.C. § 5324(a)(3) and 31 C.F.R. § 103.11.

A TRUE BILL:


Grand Jury Foreperson

PETER F. NERONHA
United States Attorney


SANDRA R. HEBERT
Assistant U.S. Attorney


STEPHEN G. DAMBRUCH
Assistant U.S. Attorney
Criminal Chief

Dated:

9-4-2013

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ INFORMATION ☒ INDICTMENT ☐ COMPLAINTMatter Sealed: ☐ Juvenile ☐ Other than Juvenile☐ Pre-Indictment Plea ☐ Superseding ☐ Defendant Added
☐ Indictment ☐ Charges/Counts Added
☐ Information

Name of District Court, and/or Judge/Magistrate Location (City)

UNITED STATES DISTRICT COURT RHODE ISLAND
DISTRICT OF RHODE ISLAND Divisional OfficeName and Office of Person
Furnishing Information on
THIS FORM ☒ U.S. Atty ☐ Other U.S. Agency
Phone No. (401) 709-5000Name of Asst.
U.S. Attorney SANDRA R. HEBERT
(if assigned)

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)
U.S. DEPARTMENT OF AGRICULTURE☐ person is awaiting trial in another Federal or State Court
(give name of court)☐ this person/proceeding transferred from another district
per (circle one) FRCrP 20, 21 or 40. Show District☐ this is a reprosecution of charges
previously dismissed which were
dismissed on motion of:☐ U.S. Atty ☐ Defense☐ this prosecution relates to a
pending case involving this same
defendant. (Notice of Related
Case must still be filed with the
Clerk.)☐ prior proceedings or appearance(s)
before U.S. Magistrate Judge
regarding this defendant were
recorded underSHOW
DOCKET NO.MAG. JUDGE
CASE NO.Place of
offense RHODE ISLAND County

CASE NO. _____

USA vs.

Defendant: MUSTAFA AL KABOUNI

Address: _____
Cranston, RI 02910☒ Interpreter Required ☐ Dialect: ArabicBirth
Date 1/10/1961☒ Male ☐ Alien
☐ Female (if applicable)

Social Security Number _____

DEFENDANT

Issue: ☒ Warrant ☐ Summons

Location Status:

Arrest Date _____ or Date Transferred to Federal Custody _____

☐ Currently in Federal Custody☐ Currently in State Custody☐ Writ Required☐ Currently on bond☐ Fugitive

Defense Counsel (if any): _____

☐ FPD ☐ CJA ☐ RET'D☐ Appointed on Target Letter☐ This report amends AO 257 previously submitted

OFFENSE CHARGED - U.S.C. CITATION - STATUTORY MAXIMUM PENALTIES - ADDITIONAL INFORMATION OR COMMENTS

Total # of Counts 26

Set	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Felony/Misd.
	SEE ATTACHMENT		<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
		Estimated Trial Days: 5	<input type="checkbox"/> Misdemeanor

Attachment to
Defendant Information Relative to a Criminal Action – In U.S. District Court

Defendant: MUSTAFA AL KABOUNI

Count I: Knowingly and intentionally combine, conspire, confederate, and agree together, and with other persons known and unknown to the Grand Jury, to use, transfer, acquire, possess and redeem SNAP benefits in a manner not authorized by law and regulation, where the SNAP benefits have an aggregate value of \$5,000 or more, in violation of 7 U.S.C. §§ 2024(b) and (c).

Max Penalties: 7 U.S.C. §§ 2024(b) and (c) – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Count III: Knowingly and intentionally did use, transfer, acquire, and possess benefits in an amount set forth below and in a manner not authorized by law and regulation, in violation of 7 U.S.C. § 2024(b) and 18 U.S.C. § 2.

Max Penalties: 7 U.S.C. § 2024(b) and 18 U.S.C. § 2 – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Count V: Knowingly and intentionally did use, transfer, acquire, and possess benefits in an amount set forth below and in a manner not authorized by law and regulation, in violation of 7 U.S.C. § 2024(b) and 18 U.S.C. § 2.

Max Penalties: – 7 U.S.C. § 2024(b) and 18 U.S.C. § 2 – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Count VIII: Knowingly and intentionally use, transfer, acquire, and possess benefits of a value of \$5,000 or more in a manner not authorized by law and regulation, in that defendants did exchange and cause to be exchanged cash for SNAP benefits, in violation of 7 U.S.C. § 2024(b) and 18 U.S.C. § 2.

Max Penalties: 7 U.S.C. § 2024(b) and 18 U.S.C. § 2 – 20 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Counts IX-XVI: Transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, that is, interstate money wire transfers, each transmission constituting a separate count, in violation of 18 U.S.C. §§ 2 and 1343.

Max Penalties: 18 U.S.C. §§ 2 and 1343 – 20 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Counts XVII-XXII: Knowingly conduct financial transactions affecting interstate commerce, namely, withdrawing money from the Corner Store SNAP account at Pawtucket Credit Union, which involved the proceeds of a specified unlawful activity, that is, SNAP benefit fraud, knowing that the transactions were designed in whole and in part to avoid a transaction reporting requirement under Federal law, and that while conducting such financial transactions knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of 18 U.S.C. § 1956(a)(1)(B)(ii).

Max Penalties: 18 U.S.C. § 1956(a)(1)(B)(ii) – 20 years imprisonment; \$500,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Counts XXIII-XXX: Knowingly and for the purpose of evading the reporting requirements of 31 U.S.C. § 5313(a), and the regulations promulgated thereunder, structure the following transactions with Pawtucket Credit Union, a domestic financial institution, in violation of 31 U.S.C. § 5324(a)(3) and 31 C.F.R. § 103.11.

Max Penalties: 31 U.S.C. § 5324(a)(3) and 31 C.F.R. § 103.11 – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ INFORMATION ☒ INDICTMENT ☐ COMPLAINTMatter Sealed: ☐ Juvenile ☐ Other than Juvenile☐ Pre-Indictment Plea ☐ Superseding ☐ Defendant Added
☐ Indictment ☐ Charges/Counts Added
☐ Information

Name of District Court, and/or Judge/Magistrate Location (City)

UNITED STATES DISTRICT COURT RHODE ISLAND
DISTRICT OF RHODE ISLAND Divisional OfficeName and Office of Person
Furnishing Information on
THIS FORM PETER F. NERONHA
☒ U.S. Atty ☐ Other U.S. Agency
Phone No. (401) 709-5000Name of Asst.
U.S. Attorney SANDRA R. HEBERT
(if assigned)

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)
U.S. DEPARTMENT OF AGRICULTURE☐ person is awaiting trial in another Federal or State Court
(give name of court)☐ this person/proceeding transferred from another district
per (circle one) FRCrP 20, 21 or 40. Show District☐ this is a reprosecution of charges
previously dismissed which were
dismissed on motion of:☐ U.S. Atty ☐ Defense☐ this prosecution relates to a
pending case involving this same
defendant. (Notice of Related
Case must still be filed with the
Clerk.)☐ prior proceedings or appearance(s)
before U.S. Magistrate Judge
regarding this defendant were
recorded underSHOW
DOCKET NO.MAG. JUDGE
CASE NO.Place of
offense RHODE ISLAND County

CASE NO. _____

USA vs.

Defendant: MOHAMAD AMIR AL KABOUNIAddress: [REDACTED]
North Providence, RI 02904☐ Interpreter Required Dialect: _____Birth
Date 10/5/1969☒ Male ☐ Alien
☐ Female (if applicable)

Social Security Number _____

DEFENDANT

Issue: ☒ Warrant ☐ Summons

Location Status:

Arrest Date _____ or Date Transferred to Federal Custody _____

☐ Currently in Federal Custody☐ Currently in State Custody☐ Writ Required☐ Currently on bond☐ Fugitive

Defense Counsel (if any): _____

☐ FPD ☐ CJA ☐ RET'D☐ Appointed on Target Letter☐ This report amends AO 257 previously submitted

OFFENSE CHARGED - U.S.C. CITATION - STATUTORY MAXIMUM PENALTIES - ADDITIONAL INFORMATION OR COMMENTS

Total # of Counts 9

Set	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Felony/Misd.
	SEE ATTACHMENT		<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
		Estimated Trial Days: 5	<input type="checkbox"/> Misdemeanor

Attachment to
Defendant Information Relative to a Criminal Action – In U.S. District Court

Defendant: MOHAMMAD AMIR AL KABOUNI

Count I: Knowingly and intentionally combine, conspire, confederate, and agree together, and with other persons known and unknown to the Grand Jury, to use, transfer, acquire, possess and redeem SNAP benefits in a manner not authorized by law and regulation, where the SNAP benefits have an aggregate value of \$5,000 or more, in violation of 7 U.S.C. §§ 2024(b) and (c).

Max Penalties: 7 U.S.C. §§ 2024(b) and (c) – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Counts II, III, IV, and VI: Knowingly and intentionally did use, transfer, acquire, and possess benefits in an amount set forth below and in a manner not authorized by law and regulation. Specifically, defendants did willfully and knowingly purchase, at a discounted value, SNAP benefits for cash, in violation of 7 U.S.C. § 2024(b) and 18 U.S.C. § 2.

Max Penalties: 7 U.S.C. § 2024(b) and 18 U.S.C. § 2 – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Counts IX, X, XII, XIV: Transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, that is, interstate money wire transfers, each transmission constituting a separate count, in violation of 18 U.S.C. §§ 2 and 1343.

Max Penalties: 18 U.S.C. §§ 2 and 1343 – 20 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ INFORMATION ☒ INDICTMENT ☐ COMPLAINTMatter Sealed: ☐ Juvenile ☐ Other than Juvenile
☐ Pre-Indictment Plea ☐ Superseding ☐ Defendant Added
☐ Indictment ☐ Charges/Counts Added
☐ Information

Name of District Court, and/or Judge/Magistrate Location (City)

UNITED STATES DISTRICT COURT RHODE ISLAND
DISTRICT OF RHODE ISLAND Divisional OfficeName and Office of Person
Furnishing Information on
THIS FORM PETER F. NERONHA
☒ U.S. Atty ☐ Other U.S. Agency
Phone No. (401) 709-5000Name of Asst.
U.S. Attorney SANDRA R. HEBERT
(if assigned)

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

U.S. DEPARTMENT OF AGRICULTURE

☐ person is awaiting trial in another Federal or State Court
(give name of court)☐ this person/proceeding transferred from another district
per (circle one) FRCrP 20, 21 or 40. Show District☐ this is a reprosecution of charges
previously dismissed which were
dismissed on motion of:☐ U.S. Atty ☐ DefenseSHOW
DOCKET NO.☐ this prosecution relates to a
pending case involving this same
defendant. (Notice of Related
Case must still be filed with the
Clerk.)☐ prior proceedings or appearance(s)
before U.S. Magistrate Judge
regarding this defendant were
recorded underMAG. JUDGE
CASE NO.Place of
offense RHODE ISLAND County

CASE NO. _____

USA vs.

Defendant: MUHAMMAD EID AL KABOUNI

Address: _____
Cranston, RI 02908☐ Interpreter Required Dialect: _____Birth Date 8/1/1991 ☒ Male ☐ Alien
☐ Female (if applicable)

Social Security Number _____

DEFENDANT

Issue: ☒ Warrant ☐ Summons

Location Status:

Arrest Date _____ or Date Transferred to Federal Custody _____

☐ Currently in Federal Custody☐ Currently in State Custody☐ Writ Required☐ Currently on bond☐ Fugitive

Defense Counsel (if any): _____

☐ FPD ☐ CJA ☐ RET'D☐ Appointed on Target Letter☐ This report amends AO 257 previously submitted

OFFENSE CHARGED - U.S.C. CITATION - STATUTORY MAXIMUM PENALTIES - ADDITIONAL INFORMATION OR COMMENTS

Total # of Counts 6

Set	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Felony/Misd.
	SEE ATTACHMENT		<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
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			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
		Estimated Trial Days: 5	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor

Attachment to
Defendant Information Relative to a Criminal Action – In U.S. District Court

Defendant: MUHAMMAD EID AL KABOUNI

Count I: Knowingly and intentionally combine, conspire, confederate, and agree together, and with other persons known and unknown to the Grand Jury, to use, transfer, acquire, possess and redeem SNAP benefits in a manner not authorized by law and regulation, where the SNAP benefits have an aggregate value of \$5,000 or more, in violation of 7 U.S.C. §§ 2024(b) and (c).

Max Penalties: 7 U.S.C. §§ 2024(b) and (c) – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Counts VI and VII: Knowingly and intentionally did use, transfer, acquire, and possess benefits in an amount set forth below and in a manner not authorized by law and regulation. Specifically, defendants did willfully and knowingly purchase, at a discounted value, SNAP benefits for cash, in violation of 7 U.S.C. § 2024(b) and 18 U.S.C. § 2.

Max Penalties: 7 U.S.C. § 2024(b) and 18 U.S.C. § 2 – 7 U.S.C. §§ 2024(b) and (c) – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Count XIV-XVI: Transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, that is, interstate money wire transfers, each transmission constituting a separate count, in violation of 18 U.S.C. §§ 2 and 1343.

Max Penalties: 18 U.S.C. §§ 2 and 1343 – 20 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ INFORMATION ☒ INDICTMENT ☐ COMPLAINT CASE NO. _____Matter Sealed: ☐ Juvenile ☐ Other than Juvenile☐ Pre-Indictment Plea ☐ Superseding ☐ Defendant Added
☐ Indictment ☐ Charges/Counts Added
☐ Information

Name of District Court, and/or Judge/Magistrate Location (City)

UNITED STATES DISTRICT COURT RHODE ISLAND
DISTRICT OF RHODE ISLAND Divisional OfficeName and Office of Person
Furnishing Information on
THIS FORM ☒ U.S. Atty ☐ Other U.S. Agency
Phone No. (401) 709-5000Name of Asst.
U.S. Attorney
(if assigned) SANDRA R. HEBERT

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

U.S. DEPARTMENT OF AGRICULTURE

☐ person is awaiting trial in another Federal or State Court
(give name of court)☐ this person/proceeding transferred from another district
per (circle one) FRCrP 20, 21 or 40. Show District☐ this is a reprosecution of charges
previously dismissed which were
dismissed on motion of:☐ U.S. Atty ☐ Defense☐ this prosecution relates to a
pending case involving this same
defendant. (Notice of Related
Case must still be filed with the
Clerk.)☐ prior proceedings or appearance(s)
before U.S. Magistrate Judge
regarding this defendant were
recorded underSHOW
DOCKET NO.MAG. JUDGE
CASE NO.Place of
offense RHODE ISLAND County

USA vs.

Defendant: MOHAMAD BARBOUR

Address: [REDACTED]
North Providence, Rhode Island☒ Interpreter Required Dialect: ArabicBirth Date 6/6/1960 ☒ Male ☐ Alien
☐ Female (if applicable)

Social Security Number _____

DEFENDANT

Issue: ☒ Warrant ☐ Summons

Location Status:

Arrest Date _____ or Date Transferred to Federal Custody _____

☐ Currently in Federal Custody☐ Currently in State Custody☐ Writ Required☐ Currently on bond☐ Fugitive

Defense Counsel (if any): _____

☐ FPD ☐ CJA ☐ RET'D☐ Appointed on Target Letter☐ This report amends AO 257 previously submitted

OFFENSE CHARGED - U.S.C. CITATION - STATUTORY MAXIMUM PENALTIES - ADDITIONAL INFORMATION OR COMMENTS

Total # of Counts 4

Set	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Felony/Misd.
	SEE ATTACHMENT		<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
		Estimated Trial Days: 5	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor

Attachment to
Defendant Information Relative to a Criminal Action – In U.S. District Court

Defendant: MOHAMAD BARBOUR

Count I: Knowingly and intentionally combine, conspire, confederate, and agree together, and with other persons known and unknown to the Grand Jury, to use, transfer, acquire, possess and redeem SNAP benefits in a manner not authorized by law and regulation, where the SNAP benefits have an aggregate value of \$5,000 or more, in violation of 7 U.S.C. §§ 2024(b) and (c).

Max Penalties: 7 U.S.C. §§ 2024(b) and (c) – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Count V: Knowingly and intentionally did use, transfer, acquire, and possess benefits in an amount set forth below and in a manner not authorized by law and regulation, in violation of 7 U.S.C. § 2024(b) and 18 U.S.C. § 2.

Max Penalties: 7 U.S.C. § 2024(b) and 18 U.S.C. § 2 – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Count XI: Transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, that is, interstate money wire transfers, each transmission constituting a separate count, in violation of 18 U.S.C. §§ 2 and 1343.

Max Penalties: 18 U.S.C. §§ 2 and 1343 – 20 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment

Count XIII: Transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, that is, interstate money wire transfers, each transmission constituting a separate count, in violation of 18 U.S.C. §§ 2 and 1343.

Max Penalties: 18 U.S.C. §§ 2 and 1343 – 20 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

FILED

2013 SEP -4 P 1:27

UNITED STATES OF AMERICA

v.

AMIR RASHEED
KARUNA MEHTA

CR. NO.:

CR 13

U.S. DISTRICT COURT
DISTRICT OF RHODE ISLAND

118

In violation of 7 U.S.C. § 2024; 18 U.S.C.
§§ 2, 371, and 1956

INDICTMENT

The Grand Jury charges that:

COUNT I

INTRODUCTION

1. At all times relevant to this Indictment, the defendant, AMIR RASHEED (hereinafter "RASHEED"), was the owner of Stop & Go, Inc. (hereinafter "Stop & Go"), a convenience store located at 776 Douglas Street, Providence, Rhode Island. Stop & Go was incorporated by the defendant, AMIR RASHEED, on December 9, 2008.

2. At all times relevant to this Indictment, Stop & Go sold food items, such as bread, canned vegetables, chips, candy and other snacks, cheese, meat, sodas, juice, and other non-alcoholic beverages. The store also sold non-food items, such as cleaning products, tobacco products, and paper products.

3. At all times relevant to this Indictment, the defendant, KARUNA MEHTA (hereinafter "MEHTA"), was a manager of Stop & Go.

4. During the relevant time period, Stop & Go was authorized to accept Supplemental Nutrition Assistance Program ("SNAP") benefits (also known as "food stamps") as payment for eligible food items sold out of the store.

5. Stop & Go's authorization to participate in SNAP was based upon an application submitted to the United States Department of Agriculture ("USDA") Food and Nutrition Service by RASHEED on or about July 15, 2009. Stop & Go was authorized to participate in SNAP on or about July 29, 2009.

6. At all times relevant to this Indictment, RASHEED maintained and controlled two business accounts at Bank of America held in the name of Stop & Go, Inc., account number xxxx2739 (hereinafter, the "SNAP account") and account number xxxx2713 (hereinafter, the "MoneyGram account").

7. At all times relevant to this Indictment, SNAP benefits associated with transactions conducted at Stop & Go were electronically deposited into the SNAP account. This account began receiving SNAP deposits on or about May 3, 2010 and continued to receive SNAP deposits until on or about April 1, 2013.

THE FOOD STAMP PROGRAM

8. SNAP enables low-income households to obtain a more nutritious diet by increasing their food purchasing power.

9. Under the program, eligible households receive SNAP benefits in the form of credits to an electronic benefit card to buy food from retail food stores that participate in the SNAP. SNAP benefits are obligations of the United States and redeemable at face

value by the Secretary of the USDA through the facilities of the Treasury of the United States. The USDA administers SNAP nationally.

10. Rhode Island relies upon the Electronic Benefit Transfer (EBT) system for the distribution of SNAP benefits. The EBT system uses plastic debit cards, which are automatically credited with the recipient's appropriate amount of benefits at the beginning of each month. To access benefits, the recipient presents the card at an authorized retailer's location. The card is swiped through an electronic terminal device, commonly known as an EBT terminal. The EBT terminal reads coded information on the card's magnetic strip. Through a series of wire transfers, the transaction amount is deducted from the EBT card's balance and deposited into the retailer's account.

11. In order to receive payment for SNAP transactions, retailers must use state-contracted processing companies or third party processing companies. These companies facilitate the transfer of each state's pool of USDA SNAP benefits to the bank accounts maintained by authorized retailers. The authorized retailers are responsible for providing the processing companies with the appropriate bank routing and account information. The processing companies are responsible for providing the retailers with the EBT terminals.

12. SNAP payments come to the retailers in the form of wire transfers from the processing company based upon retailers' daily sales totals from SNAP benefits. These payments typically take two banking business days to clear to the retailer's bank account. Each state has an approved contractor that can facilitate these SNAP transactions. The State of Rhode Island uses JP Morgan Chase to facilitate the

administration of its SNAP benefits, which in turn uses Fidelity Information Services to administer the funds.

13. Retailers also must obtain a license from the USDA Food and Nutrition Service to accept SNAP benefits from eligible recipients as payment for authorized food purchases. Before receiving authorization to participate in SNAP, a retailer is provided with an application to participate in SNAP and a book of federal regulations governing SNAP. The SNAP application advises retailers of the SNAP regulations, including those prohibiting the retailer from providing cash or ineligible items to recipients in exchange for the recipient's SNAP benefits. Typical ineligible items include gasoline, tobacco products, alcohol, paper products, and cleaning products.

COUNT I (18 U.S.C. § 371)- CONSPIRACY TO USE, TRANSFER, ACQUIRE, POSSESS,
AND REDEEM FOOD STAMPS IN AN UNAUTHORIZED MANNER

14. The Grand Jury incorporates by reference the allegations in paragraphs 1-13 of this Indictment and further charges:

15. Beginning on or about January 1, 2011 and continuing until on or about April 1, 2013, the exact dates unknown to the Grand Jury, in the District of Rhode Island, the defendants, AMIR RASHEED and KARUNA MEHTA, did knowingly and intentionally combine, conspire, confederate, and agree together, and with other persons known and unknown to the Grand Jury, to use, transfer, acquire, possess and redeem SNAP benefits in a manner not authorized by law and regulation, where the SNAP benefits have an aggregate value of \$5,000 or more, in violation of 7 U.S.C. § 2024(b) and (c).

THE OBJECT OF THE CONSPIRACY

16. It was the object of the conspiracy for the defendants to enrich themselves and others by allowing recipients of SNAP benefits to redeem their SNAP benefits for cash and by charging the recipients a surcharge in return for allowing them to redeem their benefits for cash.

MANNER AND MEANS

17. It was part of the conspiracy that RASHEED and MEHTA regularly allowed SNAP benefit recipients to exchange SNAP benefits for cash at Stop & Go. On numerous occasions during the conspiracy, RASHEED and MEHTA accepted EBT cards from SNAP recipients seeking to exchange their SNAP benefits for cash, and passed those EBT cards through a point of sale terminal for the purpose of causing SNAP benefits to be electronically transferred to the SNAP account.

18. It was further part of the conspiracy that the defendants charged the SNAP benefit recipients' EBT cards an additional amount as a surcharge for providing cash back. The surcharge varied depending upon the customer, but was often close to the same amount as the recipient asked to receive in cash.

19. It was further part of the conspiracy that RASHEED arranged to have all USDA SNAP benefits deposited into the SNAP account controlled by him.

20. It was further part of the conspiracy that by engaging in these fraudulent transactions, the defendants caused the USDA to transfer a total of more than \$400,000 to the Stop & Go SNAP account.

21. It was further part of the conspiracy that between on or about February 1, 2011 and on or about April 1, 2013, RASHEED withdrew or caused to be withdrawn over \$100,000 in U.S. currency from the SNAP account.

22. It was further part of the conspiracy that between on or about February 1, 2011 and on or about April 1, 2013, RASHEED transferred or caused to be transferred \$382,407 in funds from the SNAP account to the MoneyGram account.

23. It was further part of the conspiracy that between on or about February 1, 2011 and on or about April 1, 2013, RASHEED withdrew or caused to be withdrawn over \$12,000 in U.S. currency from the MoneyGram account.

OVERT ACTS

24. In furtherance of the conspiracy and to effect the objects of the conspiracy, the following overt acts, among others, were committed in the District of Rhode Island and elsewhere:

(A) On or about the dates set forth in the table below, as well as other occasions, in the District of Rhode Island, RASHEED acquired SNAP benefits in a manner not authorized by law or regulation, in the amounts set forth in the table below, when MEHTA or another employee of Stop & Go exchanged cash and merchandise for SNAP benefits at Stop & Go:

<u>Date</u>	<u>Merchandise purchased during transaction</u>	<u>Cash provided to customer</u>	<u>Total SNAP benefits acquired by RASHEED</u>
7/12/12	\$2.25	\$40	\$ 82.25
8/1/12	\$3.96	\$80	\$163.96
9/5/12	Free drink	\$60	\$120.00
10/2/12	\$1.96	\$60	\$161.96
11/1/12	\$2.00	\$80	\$162.00
12/3/12	\$5.96	\$80	\$165.96
1/3/13	\$2.99	\$80	\$162.99
2/4/13	\$2.96	\$80	\$162.96
3/4/13	\$3.71	\$80	\$163.71

(B) As a direct result of the above detailed unlawful cash purchases of SNAP benefits, the defendants caused the electronic transfer into the SNAP account the full value of SNAP benefits.

All in violation of 18 U.S.C. § 371.

COUNTS II - VIII - (7 U.S.C. § 2024(b) and 18 U.S.C. § 2) - USE, TRANSFER, ACQUIRE AND POSSESS SNAP BENEFITS IN AN UNAUTHORIZED MANNER AND AIDING AND ABETTING

25. The Grand Jury repeats and incorporates by reference the allegations in paragraphs 1 – 13 and 17 - 21 of this Indictment and further charges:

26. On or about the dates set forth below, in the District of Rhode Island, the defendants, AMIR RASHEED and KARUNA MEHTA, knowingly and intentionally did use, transfer, acquire, and possess benefits in an amount set forth below and in a manner not authorized by law and regulation. Specifically, defendants did willfully and knowingly obtain, at a discounted value, SNAP benefits for cash:

<u>Count</u>	<u>Date</u>	<u>Merchandise purchased during transaction</u>	<u>Cash provided to customer</u>	<u>Total SNAP benefits acquired by RASHEED</u>
II	8/1/12	\$3.96	\$80	\$163.96
III	10/2/12	\$1.96	\$60	\$161.96
IV	11/1/12	\$2.00	\$80	\$162.00
V	12/3/12	\$5.96	\$80	\$165.96
VI	1/3/13	\$2.99	\$80	\$162.99
VII	2/4/13	\$2.96	\$80	\$162.96
VIII	3/4/13	\$3.71	\$80	\$163.71

All in violation of 7 U.S.C. § 2024(b) and 18 U.S.C. § 2.

COUNTS IX - XXII (18 U.S.C. § 1956(a)(1)(B)(i)) - MONEY LAUNDERING

27. The Grand Jury repeats and incorporates by reference the allegations in paragraphs 1 - 13 and 17 - 23 of this Indictment and further charges:

28. On or about the dates set forth below, in the District of Rhode Island, the defendant, AMIR RASHEED did knowingly conduct and cause to be conducted financial transactions affecting interstate commerce, namely, commingling funds in the SNAP account, transferring funds from the SNAP account to the MoneyGram account, and making cash withdrawals from both accounts, which involved the proceeds of a specified unlawful activity, that is, SNAP benefit fraud, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while

conducting such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity.

<u>COUNT</u>	<u>DATE</u>	<u>FINANCIAL TRANSACTION</u>	<u>AMOUNT</u>
IX	4/4/11	Transfer of funds from the SNAP account to the MoneyGram account	\$10,650.00
X	7/5/11	Four separate deposits of SNAP funds into the SNAP account	\$12,897.71 (Total)
XI	7/5/11	Cash withdrawal from the SNAP account	\$ 4,000.00
XII	11/4/11	Cash withdrawal from the SNAP account	\$ 5,600.00
XIII	3/5/12	Transfer of funds from the SNAP account to the MoneyGram account	\$11,000.00
XIV	8/3/12	SNAP funds deposit into the SNAP account	\$12,892.62
XV	8/3/12	Cash withdrawal from the SNAP account	\$ 8,000.00
XVI	8/6/12	Cash withdrawal from the SNAP account	\$ 7,004.55
XVII	12/3/12	Three separate deposits of SNAP funds into the SNAP account	\$11,386.84 (Total)
XVIII	12/3/12	Cash withdrawal from the SNAP account	\$ 4,000.00
XIX	2/4/13	Three separate deposits of SNAP funds into the SNAP account	\$15,631.30 (Total)
XX	2/4/13	Cash withdrawal from the SNAP account	\$ 3,700.00
XXI	3/4/13	Five separate deposits of SNAP funds into the SNAP account	\$14,498.17 (Total)
XXII	3/4/13	Cash withdrawal from the SNAP account	\$ 2,200.00

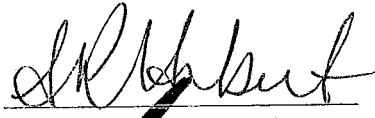
All in violation of 18 U.S.C. § 1956(a)(1)(B)(i).

A TRUE BILL:



Grand Jury Foreperson

PETER F. NERONHA
United States Attorney



SANDRA R. HEBERT
Assistant U.S. Attorney



STEPHEN G. DAMBRUCH
Assistant U.S. Attorney
Criminal Chief

Dated:

9-4-2013

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ INFORMATION ☒ INDICTMENT ☐ COMPLAINT CASE NO. _____Matter Sealed: ☐ Juvenile ☐ Other than Juvenile
☐ Pre-Indictment Plea ☐ Superseding ☐ Defendant Added
☐ Indictment ☐ Charges/Counts Added
☐ Information

Name of District Court, and/or Judge/Magistrate Location (City)

 UNITED STATES DISTRICT COURT RHODE ISLAND
 DISTRICT OF RHODE ISLAND Divisional Office

 Name and Office of Person
 Furnishing Information on
 THIS FORM **PETER F. NERONHA**
☒ U.S. Atty ☐ Other U.S. Agency
 Phone No. (401) 709-5000

 Name of Asst.
 U.S. Attorney SANDRA R. HEBERT
 (if assigned)

PROCEEDING

 Name of Complainant Agency, or Person (& Title, if any)
 U.S. DEPARTMENT OF AGRICULTURE

☐ person is awaiting trial in another Federal or State Court
 (give name of court)

☐ this person/proceeding transferred from another district
 per (circle one) FRCrP 20, 21 or 40. Show District

☐ this is a reprosecution of charges
 previously dismissed which were
 dismissed on motion of:

☐ U.S. Atty ☐ Defense

☐ this prosecution relates to a
 pending case involving this same
 defendant. (Notice of Related
 Case must still be filed with the
 Clerk.)

☐ prior proceedings or appearance(s)
 before U.S. Magistrate Judge
 regarding this defendant were
 recorded under
SHOW
DOCKET NO.MAG. JUDGE
CASE NO.
 Place of
 offense RHODE ISLAND County

USA vs.

Defendant: AMIR RASHEED

 Address: 
 Flushing, NY 11358

☐ Interpreter Required Dialect: _____

 Birth Date 8/12/1980 ☒ Male ☐ Alien
☐ Female (if applicable)

Social Security Number _____

DEFENDANT

Issue: ☒ Warrant ☐ Summons

Location Status:

Arrest Date _____ or Date Transferred to Federal Custody _____

☐ Currently in Federal Custody☐ Currently in State Custody☐ Writ Required☐ Currently on bond☐ Fugitive

Defense Counsel (if any): _____

☐ FPD ☐ CJA ☐ RET'D☐ Appointed on Target Letter☐ This report amends AO 257 previously submitted

OFFENSE CHARGED - U.S.C. CITATION - STATUTORY MAXIMUM PENALTIES - ADDITIONAL INFORMATION OR COMMENTS

Total # of Counts 22

Set	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Felony/Misd.
	SEE ATTACHMENT		<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
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			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
		Estimated Trial Days: 5	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor

Attachment to
Defendant Information Relative to a Criminal Action – In U.S. District Court

Defendant: AMIR RASHEED

Count I: Knowingly and intentionally combine, conspire, confederate, and agree together, and with other persons known and unknown to the Grand Jury, to use, transfer, acquire, possess and redeem SNAP benefits in a manner not authorized by law and regulation, where the SNAP benefits have an aggregate value of \$5,000 or more, in violation of 7 U.S.C. §§ 2024(b) and (c).

Max Penalties: 7 U.S.C. §§ 2024(b) and (c) – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Count II-VIII: Knowingly and intentionally did use, transfer, acquire, and possess benefits in an amount set forth below and in a manner not authorized by law and regulation, in violation of 7 U.S.C. § 2024(b) and 18 U.S.C. § 2.

Max Penalties: 7 U.S.C. § 2024(b) and 18 U.S.C. § 2 – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Counts IX-XXII: Knowingly conduct and cause to be conducted financial transactions affecting interstate commerce, namely, commingling funds in the SNAP account, transferring funds from the SNAP account to the MoneyGram account, and making cash withdrawals from both accounts, which involved the proceeds of a specified unlawful activity, that is, SNAP benefit fraud, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of 18 U.S.C. § 1956(a)(1)(B)(ii).

Max Penalties: 18 U.S.C. § 1956(a)(1)(B)(ii) – 20 years imprisonment; \$500,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Set	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Felony/Misd.
	SEE ATTACHMENT		<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
		Estimated Trial Days: 5	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor

Attachment to
Defendant Information Relative to a Criminal Action – In U.S. District Court

Defendant: KARUNA MEHTA

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Max Penalties: 7 U.S.C. § 2024(b) and 18 U.S.C. § 2 – 5 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.